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SUBJECT: ARGENTINA: HUD SECRETARY DONOVAN MEETS WITH BUENOS AIRES
CITY MAYOR AND VICE-MAYOR

11. (SBU) Summary: Secretary of Housing and Urban Development (HUD)
Shaun Donovan and Ambassador Wayne met with Buenos Aires Mayor
Mauricio Macri, Vice-Mayor Gabriela Michetti, and urban planning

officials on March 26 and 27. Macri and Michetti presented an
ambitious plan to tackle the city's growing problems, ranging from
congested traffic to decaying infrastructure. Macri and Michetti
lamented the lack of cooperation from the federal government, which
holds the purse strings for city finances. They noted their
commitment to sustainable development, and the Secretary suggested
they contact his nominee for Deputy for collaboration on a
conference on energy consumption that the city is planning to host.
The visit provided an excellent opportunity to share views on urban
development issues while opening the door for future bilateral
collaboration on sustainability issues. End Summary.

Secretary Meets with Buenos Aires Mayor Macri

12. (SBU) The Secretary of Housing and Urban Development (HUD) Shaun
Donovan and the Ambassador met with Buenos Aires City Mayor Mauricio
Macri, co-founder of the center-right opposition party Republican
Proposal (PRO), on March 26 at the Colon Theater (Teatro Colon), a
Buenos Aires historic opera house and cultural landmark. Macri
explained that his administration is committed to completing the
theater's renovation in time for Argentina's bicentennial in May
12010. He lamented that he has to spend such a high percent of the
city's available funds on this project, but it is symbolic for
Argentina. He stressed that his priority is to upgrade the city's
infrastructure and to improve the government's efficiency. He
expressed confidence that his administration is making a difference
in citizens' lives. Macri noted the lack of investment in Buenos
Aires over the past ten years and highlighted his administration's
efforts to ramp up infrastructure investment. He lamented the lack
of support from the federal government, noting that it was
intentionally underfunding the city for political reasons. He noted
that the federal government had refused to allow the City of Buenos
Aires to issue a bond that would have funded public works and has
refused to co-sign the city's major projects worked out with
international financial organizations, such as the IDB, effectively
blocking them.

Constituents' Concerns, Domestic Economy, and Politics

13. (SBU) On March 27, HUD Secretary and the Ambassador met with
Vice-Mayor Gabriela Michetti, also of the PRO party, and members of
Buenos Aires City's urban development team. Michetti observed that
the Secretary was visiting at a politically dynamic time because
national congressional elections had been moved up by four months to
June 28. She noted that Argentina's weak democratic institutions
and political party system create challenges for the city government
in achieving its goals. When the Secretary asked about the public's
top three concerns, Michetti and her team identified rising crime as
the number one concern, followed by public transportation and the
economy.

On the International Economic Crisis

¶4. (SBU) Michetti asked Secretary Donovan how he viewed the current economic situation in the United States. The Secretary observed that there is enormous hope in the United States because of President Obama and the opportunity he presents for change. He stressed that the government is working as quickly as possible to deal with the crisis and added that recent economic signs -- such as improvements in the housing market and in retail sales -- are encouraging if they continue.

Ambitious Urban Development Plans

¶5. (SBU) Architect Daniel Chain of the City's Ministry of Urban Development provided a detailed briefing on the city government's priorities and upcoming development projects. Chain noted that the Macri administration is focused on sustainable practices in five key areas: the environment, culture, society, political administration, and the economy. To that end, the city is planning projects to reduce traffic congestion by expanding subway lines and building bike lanes while also seeking to increase green spaces. The city is also seeking to prevent the major flooding that often occurs after heavy rains by creating spillways to divert the waters of the Riachuelo River. He cited southern Buenos Aires as the area with the greatest concentration of "informal employment" and the highest amounts of illiteracy. He stressed that the City Hall's priority is to create a diverse and sustainable economy that integrates all classes.

¶6. (SBU) Chain also noted that Macri would like to relocate City Hall to a poorer income neighborhood, which would bring needed economic vitality to that community while reducing commuter congestion in the City. Macri has also proposed relocating foreign

embassies to the area south of Puerto Madero, the city's principal port. Chain said the city has made an offer on land in the poor district of La Boca to build homes for foster families and the elderly. He explained that with these projects, the City hopes to live up to its promises, lamenting that Argentina has "a tradition of beautiful dreams that do not translate into achievements, but into frustrations." Michetti and Chain noted they have been able to resolve differences with neighboring municipalities but echoed Macri's frustration with the federal government in gaining approval and needed funds.

Upcoming Conference on Energy Sustainability

¶7. (SBU) In closing, Chain mentioned that the City will be holding a regional conference on sustainable development and energy consumption. He expressed interest in collaborating with the USG given the U.S. administration's interest in environmental issues. Secretary Donovan noted that HUD will create an office charged with collecting best practices on stabilization in urban development and that he would welcome their input. He suggested that city officials contact his Deputy-nominee Ron Sims, to discuss possible collaboration. (Note: The Embassy has provided local officials with Deputy Sims' contact information).

Comment

¶8. (SBU) City officials were warm and welcoming throughout the visit, including providing the Secretary a special behind-the-scenes look at the Colon Theater's renovation. The visit provided an excellent opportunity to share views on urban development issues while opening the door for future bilateral collaboration on sustainability issues.

¶9. (U) This cable has been cleared by HUD Secretary Donovan.
WAYNE